

Fees for the Motor Vehicle and Engine Compliance Program (MVECP)

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Agenda



- Purpose -- Provide advance notice of upcoming fees rule
- Briefing covers:
 - Activities and industries covered by fees
 - EPA's need to update fees regulation
 - Who will be covered
 - Proposed fee schedule
 - Fee waivers
 - Projected timeline for rulemaking

Introduction

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Establishment of Fees



- Authority
 - CAA - Section 217
 - Independent Offices Appropriations Act
 - Office of Management and Budget Circular A-25
- 1992 fees rule
 - Light-duty cars and trucks
 - Heavy-duty vehicles and engines
 - On-road motorcycles

Minor Amendments



- CAP2000 updated fees in 1999
 - Updated provisions for fees
 - Reflect changes in the costs of the compliance program
- Fees amendment published March 7, 2000
 - OEMs and aftermarket conversion manufacturers
 - Fee waiver for small volume Alt. fueled vehicles for MY 2000-2003

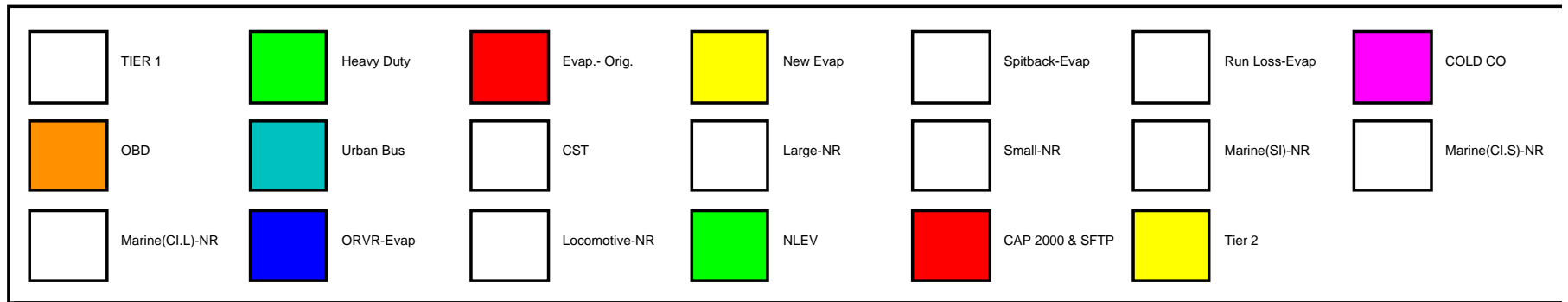
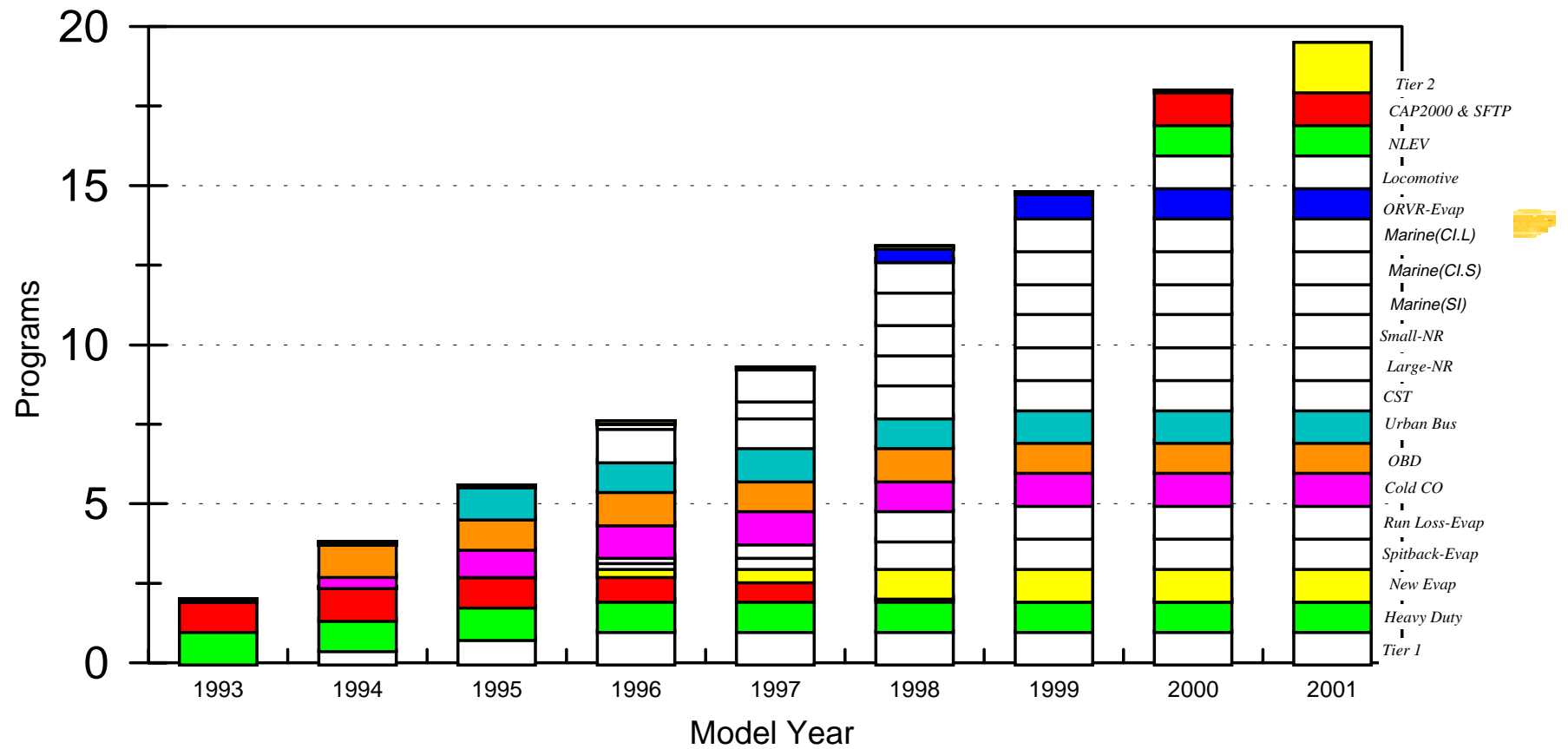
Need to Update the Fees Rule

Changes Since 1992



- Increased costs due to:
 - New emissions standards
 - New compliance programs
 - | Increased emphasis on heavy-duty in-use
 - | Heavy-duty nonroad, marine, small nonroad, locomotives, recreational vehicles
 - Inflation and increased costs

CAA 1990 - New Programs by Year



Effects of Proposed Rule



- Update the schedule of fees
 - Account for additional costs
 - Incorporate new compliance industries
 - Equity
- Procedures for waivers, refunds, and payments remain largely the same

Compliance Industries and Activities

Industries



- Current fees program applies to LD, HD, and MC industries
- The proposed fees will apply to manufacturers and ICIs of all of the following:
 - LD vehicles
 - HD Hwy engines
 - Locomotives
 - Small nonroad engines
 - Recreational vehicles
 - Motorcycles
 - HD nonroad engines
 - Marine engines
 - Large nonroad engines
 - HD Hwy Evap

Activities Currently Covered by Fees

- Compliance Services:
 - Pre-production certification
 - Confirmatory testing
 - Certification compliance audits and investigations
 - SEA/Production line testing review
 - Laboratory correlation
 - In-use testing
 - Fuel Economy selection, testing, and labeling
 - Fuel Economy CAFE calculations
 - Review of credit averaging, banking, and trading

Activities Not Currently Covered by Fees

- OTAQ services such as:
 - Development of regulations
 - Determination of emission factors
 - Air quality assessment
 - Inspection and maintenance programs

Draft Cost Study and Fee Schedule

Basis for the Fees



- Compliance related activities
- Recoverable direct and indirect costs
 - Based on FY2001 OTAQ budget
 - Actual time spent on compliance activities
- Industries grouped by services received
 - Cost per group divided by number of certificates

Draft Cost Study



- Describes the method used to determine costs and set fees
 - Identifies compliance activities
 - Distinguishes between recoverable & nonrecoverable
 - Distinguishes between direct & indirect
 - Workforce and resource allocation
 - Breakdown of costs for each industry group
 - Calculates fees

Draft Findings

EPA Revised Costs by Fee Category

Industry		1992 Costs	Current Costs
Light Duty & Fuel Economy		\$9.4 M	\$12.3 M
HD On-road (Diesel and Gas)		\$1.5 M	\$3.8 M
HD Nonroad Diesel		\$0.0 M	\$1.3 M
Motorcycles		\$0.1 M	\$0.4 M
All Other Nonroad		\$0.0 M	\$1.1 M
ATVs	Marine CI, SI, IMO		
HD Hwy Evap	Rec Marine CI		
Large SI	Rec Off-road MC		
Locomotives	Small NR <25 HP		
Marine SI Evap	Snowmobiles		
Total		\$11.0 M	\$18.9 M

Draft Proposed Fees

Industry	Current Fee	Proposed Fee
Light Duty Vehicles (Federal)	\$27,211	\$32,000
Light Duty Vehicles (California)	\$8,956	\$16,000
HD On-road (Diesel and Gas)	\$12,584	\$30,000
HD Nonroad Diesel	\$0	\$2,200
Motorcycles	\$840	\$2,500
All Other Nonroad	\$0	\$1,400
ATVs		
HD Hwy Evap		
Large SI		
Locomotives		
Marine SI Evap		
Marine CI, SI, IMO		
Rec Marine CI		
Rec Off-road MC		
Small NR <25 HP		
Snowmobiles		

*Amounts represent the fee per certificate

Fee Waivers

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Draft Partial Fee Waiver



- Part 1
 - Similar to current waiver
 - Reduce the fee to 1% of the retail sales value of all vehicles or engines under certificate
 - Available to all manufacturers
 - Vehicles for sale in the US
- Considering expanding waiver provisions
 - Some reduction beyond the 1% waiver
- Complete details available in the NPRM

Potential Rulemaking Timeline

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Fees Rule Timeline



- Publish NPRM -- Fall, 2001
- NPRM comment period -- late Fall, 2001
- Promulgate final rule -- as early as August, 2002
- New fee schedule implemented -- as early as September, 2002
- New fees may apply to some MY 03 certificate applications received after the implementation date

Additional Information



- Visit the MVECP Fees Information Page at www.epa.gov/otaq/fees.htm
 - Announcements
 - Cost Study, NPRM
 - Existing and Proposed Rules
- E-mail otaqfees@epa.gov

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Questions

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